GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) – Granting Government guarantee for the principle amount of Rs.2,000 Crores and interest accrued thereon including moratorium period separately in favour of Bank of India, Canara Bank & Union Bank of India duly replacing the Government guarantee issued in favour of HUDCO vide G.O.Ms.No.189, Ind & Com (Infra) Dept, dt.26.12.2016 – Orders – Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 83 Dated: 06-06-2017

Read the following:

1.G.O.Ms.No.189, Ind & Com (Infra) Dept, dt.26.12.2016.
2.G.O.Rt.No.39, Ind & Com (Infra) Dept, dt.07.02.2017.
3.From the VC&MD, APIIC Ltd., Vijayawada Single File No.APIIC/FW/ Loanfrombamksforlandacquisition/2017-18-GauaranteefromGoAP & Lr.dt.28.03.2017.

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ORDER:

In the reference 1st read above, orders were issued granting Government guarantee for the HUDCO loan of Rs.2,000 Crores brought by APIIC and authorizing the Board of Directors of APIIC Limited to borrow money up to Rs.5,000 Crores from time to time for land acquisition.

2. In the reference 2nd read above, orders were issued constituting a Committee with the following Officers for calling expression of interest from Banks and Financial Institutions and to negotiate the terms & conditions of the loans for the loan requirement of APIIC and to explore all alternate sources of low cost loan in place of the HUDCO loan:

(i) Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited, Vijayawada.
(ii) Sri Y.Rama Krishna, Additional Secretary to Government, Finance (PMU-Rev-I&C) Department; and
(iii) Sri Prakash Gaur, Chief Executive Officer, A.P. Urban Infrastructure Asset Management Ltd., Vijayawada.

3. In the reference 3rd read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada has submitted that in connection with the orders issued by Govt vide G.O.Ms.No.189, Ind & Com (Infra) Dept, dt.26.12.2016, the loan of Rs.2,000 Crores sanctioned by the HUDCO offering the rate of interest @ 10.40% per annum, the rate of interest of all the Banks come down as part of demonetization when compared, and alter reduced to 10.15%. As per the Expression of Interest invited by the APIIC, based on the G.O., dt.07.02.2017 with the Committee constituted for holding negotiations with several Banks, the following Banks have offered the lower rate of interest and expressed their interest with the condition that Govt guarantee will be provided:

1.Bank of India - Rs.750.00 Crores @ 8.50% yearly reset
2.Canara Bank - Rs.750.00 Crores @ 8.50% yearly reset
3.Union Bank of India - Rs.500.00 Crores @ 8.60% 3 yearly reset

4. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., has further stated that the term of the above loan is (15) years including 3 years moratorium for which the APIIC has issued Letter of Interest to the said Banks for sanction of loan with Govt guarantee. These loan amount have to be get before 31.03.2017 as instructed by the C.S., and the Banks are putting up the proposals to the Board stating that Govt guarantee is essential in order to sanction the amount. The VC&MD, APIIC Ltd., has therefore requested the Govt to accord Government guarantee for the principle amount of Rs.2,000 Crores and interest accrued thereon including moratorium period separately in favour of BOI, Canara Bank & UBI duly replacing the Govt guarantee issued in favour of HUDCO vide G.O., dt.26.12.2016.

5. Government, after careful examination of the matter hereby order granting Government guarantee for the principle amount of Rs.2,000 Crores and interest accrued thereon including moratorium period separately in favour of Bank of India, Canara Bank & Union Bank of India duly replacing the Government guarantee issued in favour of HUDCO vide G.O. 1st read above.

(P.T.O.)

6. The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited, Vijayawada shall take necessary action in the matter accordingly.

7. This order issues with the concurrence of Finance (PMU-Rev-I&C) Dept., vide their U.O.No.45027/16/2017, dt.17.01.2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520008.

Copy to:

The Commissioner of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.
The G.A. (Cabinet) Department, A.P. Secretariat, Velagapudi. (with reference to U.O.No.193/2017, dt.02.06.2017.)
The Finance Department, A.P. Secretariat, Velagapudi.
The Chief Executive Officer, A.P. Urban Infrastructure Asset Management Ltd., # 40-3-8, 1st Floor, Kaushalya, Gummadi Gopalrao Street, Labbipet, Vijayawada – 520 010.
The P.S. to Principal Secretary to C.M. (GSP).
The P.S.to Secretary to Government & CIP.
SF/SC.

//FORWARDED BY: ORDER//

SECTION OFFICER